PROCEEDINGS OF THE MYSORE REPRESENTATIVE ASSEMBLY.

BUDGET SESSION—JUNE 1935.

FIRST DAY.

Thursday, 13th June 1935.

The Birthday Session of the Mysore Representative Assembly was held in the Jagan Mohan Palace Pavilion, Mysore, commencing at 12 of the clock on Thursday, 13th June 1935.

The Dewan and the Members of Council took their seats precisely at 12 NOON.

The names of the members present are given in the Appendix.

The Session was opened by the Dewan-President with the following Address :—

MEMBERS OF THE REPRESENTATIVE ASSEMBLY,

Quetta tragedy.

We meet at a time when the whole of India is staggering under the weight of a calamity for which history has few parallels. In a few seconds, a great part of the population of the City of Quetta and the surrounding villages has been wiped out, and the City razed to the ground. It must have seemed to those who survived that the end of the world had come. The widespread sympathy that the tragedy has evoked, more especially in the provinces which are nearest, shows how much modern facilities of transport are doing to promote a sense of nationhood in India. Let us, therefore, though we are more remote from the scene of disaster than Bombay or the Punjab, and have fewer relatives or friends among those who have suffered or who have paid the supreme sacrifice, still remember we are all members of the same Indian Nation in our sympathies, and do our utmost to support the appeal for help, and especially for money, which has been so promptly and sympathetically launched by His Excellency the Viceroy and supported by our own revered Ruler.

Ladies and Gentlemen, the disaster in Quetta is not alone among the great happenings of the time which must make us feel the wide interests that are imposed upon us as citizens, not only of the State of Mysore, but of the great country of India ; not only as members of the great British Empire, but as members also of a troubled world in which every man is bound perforce to interest himself in the affairs of his neighbours, and few can escape the repercussions of world-wide events.

His Majesty's Silver Jubilee.

We have recently witnessed the conclusion of the twenty-fifth year of the reign of His Majesty the King-Emperor, a quarter of a century full of events, full of progress and full of troubles, out of which the British Empire, and especially the Sovereign who is the head of it, have emerged greater than they have ever been. The Silver Jubilee of the King-Emperor evoked feelings of

esteem and affection towards His Majesty throughout the British Empire and even beyond its bounds. It is a remarkable testimony to the personal qualities of King George, to the part played by His Majesty in the history of the last five-and-twenty exceptionally eventful years, to the steadfast loyalty of his people, and to the Constitution which the genius of the British people has evolved, that the British Crown stands where it does to-day, an example and inspiration to prince and peasant alike. That Crown is the symbol of the Empire's unity and purpose, holding together, as it does, the many members of that great fraternity of peoples, and it is beyond doubt that the more self-governing and the more independent these various countries which form the British Commonwealth become, the nobler will be the significance of the Imperial Crown. We all know with what warmth the State of Mysore has voiced its congratulations and good wishes to His Majesty on this happy occasion, and it is now my pleasant duty, in addressing this gathering of representatives of the people of Mysore, to re-echo those sentiments and to offer to His Majesty once more our loyal and fervent good wishes for his long life and happiness.

The Government of India Bill.

The India Bill has just passed its third reading in the House of Commons and no doubt will soon find its place on the Statute Book; when it does so, it will rank as one of the greatest achievements of the British Parliament. Seldom has any measure passed by Parliament evoked such bitter and powerful opposition, or been attacked from so many different quarters and for so many different reasons. I myself have been a serious critic of the Bill in regard to some of its fundamental proposals. But if it were a question between acceptance or rejection, or even postponement, I should have no hesitation in deciding on acceptance. In this work-a-day world we have to take a realistic view of life and its problems; we have to act as practical men, not as visionaries. We cannot insist upon the acceptance of our own point of view and ignore the views of others. We have to take into account the real factors of the situation—personalities, vested interests, economic conditions, communal misunderstandings—and all the other lions in the path. Conviction has been borne in upon me as the days pass on and the interminable discussions and controversies proceed, that, in the existing circumstances both in India and in England, it would have been quite impossible for any other measure to go through the legislative process. Unsatisfactory as the Bill is from many points of view, complicated as the proposed Constitution is, and difficult as it will be in its working, I am, nevertheless, in favour of accepting and working it, for I am convinced that such defects and deficiencies as are found in it are for the most part inevitable in a constitution designed for a country so full of paradoxes and anomalies as India. Nor need we regard this Constitution, any more than any other human institution, as something final, irremediable and immutable. If actual experience should demonstrate the futility of some provisions and the danger of others, there is no reason to think that the Constitution will not undergo necessary alterations, if not at once in the letter, at any rate in practice and by the growth of conventions. Events will shape their course according to the realities of the situation, and things do not usually happen exactly as wished for or as predicted. I have no doubt that the Constitution will be worked, nor do I doubt that we shall find that it will give Indians a great opportunity of serving their motherland and of enabling her to take that position in the comity of nations which her vast size and population, and her ancient culture and civilization, entitle her to take.

India's progress to that high status among the civilized nations of the world is assured, if only we Indians exhibit those qualities—patriotism, honesty of purpose and the spirit of conciliation, which alone can uplift a people. If we are found lacking in those qualities,

and if jealousy and disunity should continue to mar our national life, we cannot blame others for our own failure, for no people can hope to elevate themselves permanently by the efforts of others.

Sir Samuel Hoare.

In speaking of the India Bill, it is impossible not to refer to the one personality who, I am convinced, may be regarded as the prime author of it. The intimate knowledge, the consummate ability, the unflagging zeal and perseverance, and the inexhaustible patience which Sir Samuel Hoare has displayed throughout these years entitle him to the gratitude both of his own country and of India. It is a matter for great regret that he will no longer be at the India office to guide India along the path of progress and self-realisation when the Act comes into force, but we who have had an opportunity of knowing his worth will be the first to realise that his great talents are required where the need is greatest, and that, in the present condition of affairs in Europe, is clearly at the Foreign Office. May I add that, if there is one man in the Empire who can adequately fill his place, that man is to be found in the new Secretary of State, the Marquess of Zetland. We all know what a wonderful record he had in the most troublesome of all the Provinces. We all know how he found his way into the "Heart of Aryavarta." We in this Assembly have special cause to be grateful to him for his understanding and sympathetic study of the system of which it forms a part and in which he has found a hopeful expression of the political temper and the political genius of the Indian peoples.

The figures for the years 1934-35 and 1935-36.

I come now to the figures which we have met to discuss and in so doing would like, first of all, to invite the attention of those of you who wish to make an earnest study of the budget to the introductory remarks made by the Financial Secretary in his explanatory memorandum. You will see from those that he has divided up the transactions under the heads—(*a*) Revenue, (*b*) Capital, (*c*) Debt and (*d*) Remittances, and again under the cross heads of Revenue and Expenditure, first for the year current and second for the coming year.

In the short time that I am able to devote to the matter, I do not propose to deal with it under all these divisions. I think it will be simpler to deal with the salient points under the principal heads, treating the two years as one period. For this purpose, we may divide our revenue roughly into three categories, though there is much marginal territory that falls partly into one and partly into another. The first we may call the gifts of God, the second the result of our commercial enterprises, and the third the contribution of the taxpayer.

The gifts of God.

Principal among the gifts of God, I regard the mining enterprises, which afford us a considerable revenue without any burden being imposed on the taxpayer or the State. In respect of revenues of this class we have been fortunate in the year that is just expiring. As you will remember, we began it with a new agreement with the Mining Companies, and partly as the effect of that, partly as the effect of increased production, and partly as the effect of increased prices of gold, we have for the year 1934-35 an increase under royalty amounting to Rs. 9·80 lakhs, together with another under Income-tax amounting to Rs. 1·63 lakhs, to which we may add incidental increases of Rs. 1,15,000 under Stamps and Rs. 10,000 under Registration, making up the handsome total of Rs. 12·68 lakhs.

Under chrome mines, which are still managed departmentally, we have a revenue of Rs. 1·17 lakhs. The other mining enterprises have been less productive and their revenue is less significant.

We may, perhaps, also consider under this head the windfall that has come to us in the shape of profit on sales of securities, amounting to Rs. 3·41 lakhs in 1933-34 and to Rs. 1·82 lakhs in 1934-35.

The State's Commercial Enterprises.

There is much else among our receipts which is attributable to our favourable situation and climate, notably the receipts from Irrigation, Electricity and Sandalwood Oil, but as these involve also a very large amount of expenditure of money and talent on behalf of the State, I prefer to deal with them under the head of Commercial Enterprises. Including these, we have the following list of enterprises in which the State is engaged. I have arranged them in order of the magnitude of the capital involved :—

1. The Krishnarajasagar Hydro-Electric and Irrigation Works.
2. The Mysore Railways.
3. The Mysore Iron Works, soon to be designated The Mysore Iron and Steel Works.
4. The Mysore Sugar Factory.
5. Industrial and Other Works :—
   The Sri Chamarajendra Water-works.
   The Sandalwood Oil Factory,
   The Central Industrial Workshop.
   The Soap Factory.
   The Porcelain Factory.
   The Silk Weaving Factory.
   The Industrial Testing Laboratory.

The Krishnarajasagar Hydro-Electric and Irrigation Works.

The Krishnarajasagar Hydro-Electric and Irrigation Works represent an investment of capital between 7 and 7½ crores of rupees. As you are aware, we have been busily engaged for some years past in extending the benefits of electricity to the smaller towns and villages of the State, as well as to the smaller industries, and especially in the important direction of extending agricultural pumping plants. As these extensions are made, it is only to be expected that the percentage return on the capital outlay will decrease, but this is more than compensated for by the great material advantages derived by the people of the State. Meanwhile, as you are again aware, we have been disappointed in the returns from Irrigation, though, as I shall show you shortly, the Sugar Factory is doing much to get over this difficulty. As a result of these factors, the net return on capital from the combined enterprise has not been growing quite as fast as the capital outlay, and amounted to Rs. 33 lakhs in 1932-33, 35 in 1933-34, and 37 in 1934-35, and is expected to amount to 38 lakhs in 1935-36. This would give a return of a little over five per cent on the total capital invested. The particular directions in which the increase is expected are the supply of power to the steel plant with effect from January 1936, and an increase in the quantity supplied to mining companies, rural electrification schemes and interior power and lighting works. At the same time, the Deputy Commissioner, Mysore, anticipates that more lands will be taken up under the Irwin Canal and that there will be an increase of Rs. 1·16 lakhs under this head.

The Mysore Railways.

The next commercial enterprise in order of magnitude is the Railways. Under this head, as you are aware, important action has been taken to expedite the trains between Mysore and Bangalore by improving certain parts of the line where the levels were such as to necessitate very slow running. Meanwhile, one new station has been opened on this line and shuttle trains and other arrangements for the convenience of passengers have been introduced. Fares have been decreased by two pies per mile for Second Class. The number of passengers carried over the lines under State management during the year 1933-34 was 39·05 lakhs as against 38·44 lakhs during 1932-33 and the number carried over the lines managed by the M. & S. M. Railway, 22·39 lakhs as against 23·21 lakhs in 1932-33. Expenditure has been reduced where possible, though we believe there is still scope for further reduction. The net result of the year's working shows a continuous decline from Rs. 15·72 lakhs in 1931-32 to Rs. 10·39 lakhs in the revised estimate for 1934-35. We hope that things will improve in 1935-36, and accordingly have budgeted for a net profit of Rs. 11·74 lakhs.

For the future we have, as you know, numerous projects for expansion in hand. In spite of the depression we have come to the conclusion that we ought to take advantage of the low rates of interest to proceed with the Shimoga-Sagar line by extending it

from Anandapuram to Sagar, and we are providing Rs. 3 lakhs for expenditure next year out of the Rs. 11 lakhs required. With the line ending, as it does, practically in the middle of a jungle, it can never be a paying proposition, and the one hope is to carry it through to Sagar. We have also taken advantage of the low rates of interest to borrow 50 lakhs of rupees for the purpose of paying off the Sterling Debenture Loan on the Bangalore-Harihar line, and we hope now to take over the management of this with effect from the 1st January 1938 at the latest. Meanwhile, the large programme of expansion of the Railway Workshops, which is necessitated by the proposed enlargement of our railway undertaking, is in rapid progress. Another matter in respect of which we have hopes of seeing some progress at last is the Chamarajnagar-Satyamangalam connection. We understand that the Government of Madras are interested in the improvement of the railways in the Satyamangalam direction in connection with the Lower Bhavani Project. Meanwhile, the great development of the Port of Cochin on the one hand, and the increasing competition of mechanical traction on the roads on the other, both point to the desirability of opening up a shorter connection between the Mysore plateau and the sea, and we hope that it will be possible to induce all the interests concerned to combine in advocating a single scheme for the improvement of the railway communications of the area of which Tiruppur forms the natural centre. If the Railway Board can be induced in this connection to put the Chamarajnagar-Satyamangalam Railway into their next year's budget, it will be necessary for us to be prepared to proceed with the extension of the Nanjangud-Chamarajnagar Railway to the borders of the Mysore State and at the same time to improve the whole of that portion of our line.

The Mysore Iron Works.

The Bhadravati Iron Works still continue to make heavy drafts upon our reserves of optimism. For the current year the loss amounted to Rs. 2,22,000 in spite of every endeavour being made to increase sales and keep expenditure down to the minimum. The Board of Management are now busily engaged in the erection of a steel plant, with the aid of which it is hoped that the Works will be able shortly to cover expenses, but, as the plant is not expected to be in working order throughout the year, a loss of half a lakh of rupees is still anticipated in 1935-36.

The Mysore Sugar Factory.

The Sugar Factory, which only finished its first complete year of working on the 30th September 1934, succeeded in returning a profit of 10 per cent on its shares. Encouraged by this success, the Board of Management have increased the capital from Rs. 20 lakhs to Rs. 40 lakhs, and have embarked on a further large expenditure on new plant, with the aid of which they hope to be able, shortly, to turn out not less than 12,000 tons of sugar in a year, which, I believe, will make it the largest factory of its kind in India. The measure of the benefit derived by the raiyats from the working of this factory may be judged from the fact that the amount distributed in the shape of cost price of sugar-cane in the first season amounted to 6½ lakhs of rupees, and that that amount is expected to be doubled in the second season ending in October next. In addition to this, the company have been given a license to supply potable liquor to liquor shops in the State and have erected stills for this purpose which are already active. Endeavours are being made to find profitable markets for the waste products, that is to say, industrial spirit and molasses, and some success has been attained in the conversion of molasses into cattle food and the use of it as a substitute for tar in binding roads.

Minor Industrial Enterprises.

The Sri Chamarajendra Water-works has been another disappointing enterprise from the purely commercial point of view, mainly on account of the

increase in its capital cost which resulted from the severe washaway that occurred owing to unexpected heavy rains before the work was fully completed. The revised estimate for the current year includes considerable increase under arrear collections. In the year 1935-36 we anticipate a revenue of Rs. 2·36 lakhs, which involves, it is true, a very small return on the capital invested. At the same time, one cannot regard a work of this kind entirely as a commercial proposition, and we must also take into account the immense benefit conferred on the great City which it supplies with drinking water.

In the case of Sandalwood Oil, we come into contact with world conditions, and a study of the figures shows that, although our sales are expected to show an increase from the figure of 113,713 lbs. in 1932-33 to 156,574 lbs. in 1934-35, the net receipts expected are only Rs. 9·10 lakhs as against Rs. 11·03 in the former year, and as against Rs. 23·33 lakhs in 1929-30. These results are due to the competition of Australian and African oils, to increased resort to cheaper substitutes and to the general falling off in international trade which is due to causes with which you are only too familiar.

I need not enter into details of the receipts of the smaller industrial works. The Soap Factory, I am glad to say, continues to show a substantial profit, though it is less than it was, and the Porcelain Factory is doing the same. The Industrial and Testing Laboratory has its accounts shown separately for the first time with a small profit of Rs. 4,000. On the other hand, we have to record small losses under the head of the Mysore Silk Weaving Factory and the Central Industrial Workshop. In all these cases, as you will doubtless have noticed, we have increased our working expenses by embarking on a campaign of advertisement. Already, I think, we are beginning to see the results of that campaign in an increased knowledge and appreciation of the products, not only of our own factories, but of private enterprises in the State; in other words, we are on the way to proving again the truth of the adage that "it pays to advertise."

The contribution of the tax-payer.

The contribution of the tax-payer depends in a very large measure upon the seasonal conditions of the year. The rainfall during the last year was considerably less than the normal quantity throughout the State. Both the south-west and the north-east monsoons were very weak. The latter, in fact, was a total failure. In consequence, the usual extent of land could not be cultivated with the staple food crops, and the area that was planted failed to yield a proper return. In addition a large number of tanks in the maidan districts did not get any supply of water. Conditions in parts of the Kolar and Tumkur Districts became so bad at the end of December that special measures had to be organized for dealing with them.

These unfavourable conditions, following on equally unfavourable conditions in the previous year were unfortunately coupled with a servere fall in prices, and the cumulative effect has been to render the year a very difficult one for both the raiyats and the Government. Under Land Revenue, in order to alleviate their distress, we were compelled to make very large remissions, amounting to about Rs. 5 lakhs, or about four per cent of the demand, in addition to which it has been necessary to open up relief works and supply fodder at cheap rates to cattle. In spite of this large remission, there has been a great difficulty in getting in the collections, and this is responsible for the fact that up-to-date there are still outstanding as much as Rs. 26·04 lakhs of current and old arrears, although the demand has been reduced from Rs. 133·04 to Rs. 120·41 lakhs, or by nearly 10 per cent. The surprising thing is that, in a condition of affairs like this, our deficit is not much larger than it actually is.

For the coming year we hope that both seasons and prices will take a turn for the better and that we may at least get out of the trough of the depression. We have, therefore, budgeted under the

head of receipts for an increase of Rs. 9½ lakhs. If we find that the raiyats are in a position to pay up a fair proportion of the arrears, we shall do much better than this.

The Excise Revenue being derived from luxury consumption, is also affected very rapidly by the seasons, and we have had a succession of very bad years under this head also. In the case of the current year, we have had to reduce our anticipated receipts from a budget of Rs. 55·00 lakhs to a revised of Rs. 52·19 lakhs, and an anticipated fall in shop-rents is mainly responsible for a further fall to Rs. 50·91 lakhs in the budget for 1935-36.

Stamps and Registration, as I have indicated above, have shown an improvement in the current year owing to large transactions in connection with the new gold mining leases, and a return to normal is anticipated in 1934-35.

Under Forest Revenue, other than that from sandlwood oil and sandalwood, the principal variations in the figures for the year are due to changes in the system of accounting. In the coming year, we have budgeted for a decrease largely on account of anticipated fall under the receipts from Tangadi bark, an item of revenue that has been steadily falling for some years past.

It is gratifying to turn from these items to Miscellaneous taxes, which head includes the new Excises on matches and sugar and the tax on betting. Under these heads we have a welcome item of receipt of Rs. 4·51 lakhs in the revised, which is increased to 8·16 in the budget, owing to the fact that the latter figure is for a full year, the former, in the case of the duty on matches, only for eight months.

Expenditure heads.

Having thus dealt with all the heads which are responsible for both revenue and expenditure, I now propose to deal very briefly with the heads which are responsible for expenditure only.

Under General Administration, the chief point calling for notice is the regrettable fact that we have been compelled reluctantly to keep on the full cut from the salaries of Government servants throughout the past year. We propose in the year to come to reduce it to the following scale :—

Up to Rs. 100	...	Nil
Above Rs. 100 to Rs. 350	...	2½ per cent
Above Rs. 350	...	5 ,,

Ladies and Gentlemen, I regret in this matter that we have not been able to accept in its entirety the recommendation of the Finance Committee of the Legislative Council. But I make no apology—unless it be to the services. I am not one of those who look forward to a millennium when all the best talents in the country will place their brains at the disposal of the Government for a mere fraction of what they could earn in other walks of life. When the millennium arrives and altruism is the mainspring of all men's actions, there will be no crime to control or cases to try, and we shall need no Government services at all. In the meantime, as practical men, we must look the facts in the face. We want the best talents for the Government. We cannot let our judges be overshadowed by the lawyers who plead before them or our business men be outwitted by their rivals in trade. And we have to remember that in an imperfect world Government service is still the great career to which all the youth of the country look forward. And I sometimes ask myself whether the action we have been taking of late is not tending to make it lose that position. I would remind you that we were among the first to impose a salary cut; that we imposed it at as high rates as were imposed anywhere; that we have maintained it after cuts have been remitted practically everywhere else. We did not accompany it by an increase of the non-official's income-tax. But we have followed it by a drastic reduction of salaries for future entrants in all departments. And, meanwhile, illogical as it may seem, we have conducted an enquiry into the indebtedness of our public servants which has driven us to the conclusion that they cannot maintain their present standard of living on their present salaries. Ladies

and Gentlemen, we are proud in Mysore of our public services, and have good reason to be. They have accepted a drastic reduction in their salaries without murmuring. It is up to us to keep faith with them and to restore the balance of the cut the first day that our finances will allow of it.

Of the other principal changes on the Expenditure side, one may, perhaps, like some of our Revenue windfalls, be described as due to an Act of God—the fact that the 30th June 1935 falls on a Sunday. As a result we have to pay pensions for thirteen months in a period of twelve and the consequence is an increase of Rs. 2.29 lakhs in our charges. The next big item is an increase of Rs. 2·11 lakhs under Education, due to increased grants for the University, Middle Schools, and Primary Education, which are explained in the Financial Secretary's note. Agriculture claims an increase of Rs. 70,000, mainly for the protection of the Silk Industry, and the Army an addition of Rs. 53,000, which includes Rs. 21,000 for purchase of remounts.

On the other hand, we have large reductions under all Public Works heads, that is, Irrigation, Civil Works and Communications. These are due partly to the fact that a number of important buildings, for which large grants have been made in the current year, are now approaching completion, but mainly to enforced economy. Knowing, as I do, how urgently funds are required in every direction for conserving and improving our irrigation works, for re-making and extending our roads, and for carrying on the programme of improvement of our public buildings, I am sure that none of you can regret as much as I do the cutting down of our Public Works Budget to Rs. 5·61 lakhs less than the figure we are spending this year.

The net result—a small surplus for 1935-36.

In the net result, we close our accounts with a deficit of 5 lakhs of rupees in 1934-35, and we expect to close with a very small balance of Rs. 1·07 lakhs in 1935-36. At first sight, this is a discouraging prospect, but when we look round the world, and when we examine the budgets of other parts of India, I venture to think that we need not give way to despair. As we read our daily papers we see constantly reports of national bankruptcies, of repudiation, of deficits of staggering amounts, such, for instance, as that of the United States of America which is described in a leading Bankers' Review as "running at billions per year." If we look nearer home, we see new proposals for taxation of gold, of silver, of tobacco, and of electric consumption, and for the increase of the taxation imposed in the shape of stamps and court fees and taxes on vehicles. And not a few of these have been passed into law. We may have to follow suit in some of these respects, the most suitable being, so far as I can see, the imposition of a tax on tobacco, which is a subject of heavy taxation practically all over the world outside India. For the present, however, thanks largely to what I have described above as the gifts of God, we are still able to make both ends meet. And when I look round me, I cannot but feel that there are more evidences of prosperity in Mysore than there are of adversity. I would ask your attention particularly to the great advance that has been made in building and the beautification of our cities. And I should like to lay stress on the fact that these are by no means confined to Government activities. It does one's heart good to see commodious offices for public bodies, such as the Chamber of Commerce and the Insurance Companies, beautifying our streets, and to find large numbers of houses of a standard of comfort quite unknown to our grandfathers, being put up in all directions. I sincerely hope that this is a tendency that will continue and increase. The possession of comfortable homes makes for a great improvement in the health and self-respect of our citizens, and if they take pride in their houses, they will take pride also in the streets in which their houses are situated, and in the cities of which those streets form a part. I

hope this movement will spread also to the villages and that thatched roofs will continue to give place to tiles, and mud to brick and mortar. I hope, meanwhile, that the Panchayats will see to it that, as the houses improve, the streets improve with them and that, as the citizens improve in self-respect, the villages will improve in the essentials of corporate life, such as the erection of suitable *chavadies*, the cultivation of village parks and orchards, the improvement of the schools and the sanitary facilities, the introduction of maternity homes, and many other amenities which can only be developed by the local enterprise of the village itself.

Statement of Assets and Liabilities.

Before leaving the figures, Ladies and Gentlemen, I should like to ask you for a moment to consider the very interesting statement of assets and liabilities which finds place on pages 50 and 51 of the Financial Secretary's Memorandum. And I would ask you before studying it to read carefully his explanation of it in paragraph 54. You will see therefrom that our total liquid investments on the 1st July 1934 amounted to Rs. 5 crores and 7 lakhs, and that they are expected to increase by 1st July 1936 to Rs. 5 crores and 30 lakhs. Against this, we had unfunded debt amounting on 1st July 1934 to Rs. 4 crores and 88 lakhs and expected to increase by 1st July 1936 to Rs. 5 crores and 34 lakhs In other words, if you can conceive a situation which would necessitate our paying up all our depositors at once, we should have the liquid resources ready to meet all but a very small number. At the same time, we have capital investments which on 1st July 1934 were borne on our books at Rs. 15 crores and 35 lakhs, and which are expected to increase by 1st July 1936 to Rs. 16 crores and 16 lakhs. Against them, we owed the public on 1st July 1934, Rs. 9 crores and 58 lakhs, and expect to owe them on 1st July 1936 Rs. 8 crores and 45 lakhs, leaving a total excess of assets over liabilities (even when we disregard all the assets referred to in paragraph 54) of Rs. 4 crores and 86 lakhs. The expected total earnings on our capital works in 1935-36 amount to Rs. 60·38 lakhs, or 3·74 per cent on the capital invested. The net interest charge payable by us during 1935-36 will amount to Rs. 34·16 lakhs, which is Rs. 26·22 lakhs less than the net receipts from the capital works. On the whole, therefore, if the State were a company and we were a meeting of shareholders considering the annual balance sheet, I think I should be entitled to say that the concern for which we are responsible had so far come well through the economic blizzard and is well equipped for whatever in the way of weather is still awaiting it.

Conclusion.

Despite the financial and economic difficulties through which we have been passing, I think I can fairly claim that our State has made steady progress in all directions. Nor is it to Government action alone that we owe the present position of Mysore in the Empire and the world. A most gratifying feature of the public life of the State is the earnest desire manifested by the public generally to do their best for their State, to promote its interests and to enhance its reputation. Many worthy citizens are doing their utmost within the State by donations and by public work to promote the happiness and prosperity of their fellow citizens. There are many others who are upholding its traditions outside—in London, Calcutta, Bombay, Madras and elsewhere. Not a few of these have distinguished themselves in all-India competitive examinations and are employed in the public services in British India. Let us hope that in the coming days, Mysore will play a notable part in India's destinies, not only as a useful unit in the Federation, but also through the distinguished labours of Mysoreans abroad.

Rao Sahib M. RAMASWAMI.—It has been the privilege and fortune of the members of this House to listen to your Address all these years and particularly

to this year's most valuable and interesting Address. We know, sir, how all these years of financial stringency you have been able to finance many of the big schemes that were undertaken by your predecessors. Not only that. You have been able to start yourself very many irrigation and industrial works which have already proved most useful to the public of the State. We also know how anxious you have been all these years to see to the comforts of the people in the rural parts. We are glad to learn that you have already got nearly 200 villages lit with electricity and that several industries have also been started for the benefit of the poor in the rural parts. We are sure, and we are assured that, whether in the matter of scientific investigation of agriculture or industry, we have got your support and sympathy always. We beg to express our most sincere and grateful thanks for all the good that you have done these years and that you are going to do in future to the people of this State.

Sir, we also take this opportunity of thanking the Hon'ble Col. Plowden, the British Resident, who has been evincing a lot of interest in the welfare of the people of this State. Still, very many important questions are pending. We are sure he will see to the favourable settlement of those questions and we are assured that we have got in him a most sympathetic British Resident in Mysore.

Sir, we also beg you to convey our most loyal and sincere gratitude to His Highness the Maharaja of Mysore for his sympathetic and wise rule all these 33 years.

MR. C. K. VENKATRAMAIYA, Kannada Translator to Government, then read the Kannada translation of the Dewan's Speech.

SWEARING IN OF A NEW MEMBER.

MR. M. K. SUBBIAH (Malvalli) then made the prescribed Oath of Allegiance to His Highness the Maharaja and took his seat.

QUESTIONS AND ANSWERS.

Disqualification of a member of the Channapatna Municipal Council.

MR. S. I. MUMTAZ (Minorities).—

Q.—3. Will the Government be pleased to state :—

(*a*) Whether any member of the Channapatna Municipal Council was disabled under Section 15 (2) (*b*) of the Mysore Municipal Regulation of 1906 during the year 1932-33 ?

(*b*) Whether the disabled member had approached the Government under Section 15 (3); if so, what was the order of Government ?

(*c*) Whether a bye-election was held to fill up the above said vacancy under Section 16 and notified under Section 19 by the Government ?

(*d*) Whether a suit was filed against the successful candidate of the bye-election under Mis. No. 72—32-33, in the District and Sessions Court, disputing the vacancy and the validity of the election ; if so, what was the result ?

(*e*) Whether the disqualification and disability of the person referred to in (*a*) *supra* had ceased on the 11th July 1934 or he is still under the disqualifications specified under Section 12 (2) (*e*) of the Town Municipalities Regulation of 1933 ?

(*f*) If the disqualifications specified under Section 12 (2) (*e*) had not ceased, was he qualified to be a candidate on 4th July 1934 under Article 11 of the Town Municipal Election Rules ?

(*g*) Whether the person referred to in (*a*) *supra* had sent up his application for candidature on 11th July 1934 for the Channapatna Municipal Council election held on 25th July 1934 ?

(*h*) Whether any objections under Article 15 (1) of the Town Municipal Election Rules as per notification dated 11th July 1934 were presented to the Returning Officer within 16th July 1934 ; if so, what were the orders of the Returning Officer ? (A copy of the order to be placed on the table.)

(*i*) Whether an appeal was filed before the Deputy Commissioner against the orders of the Returning Officer, under Section 194 of the Regulation ; if so, what is the decision of the Deputy Commissioner ?